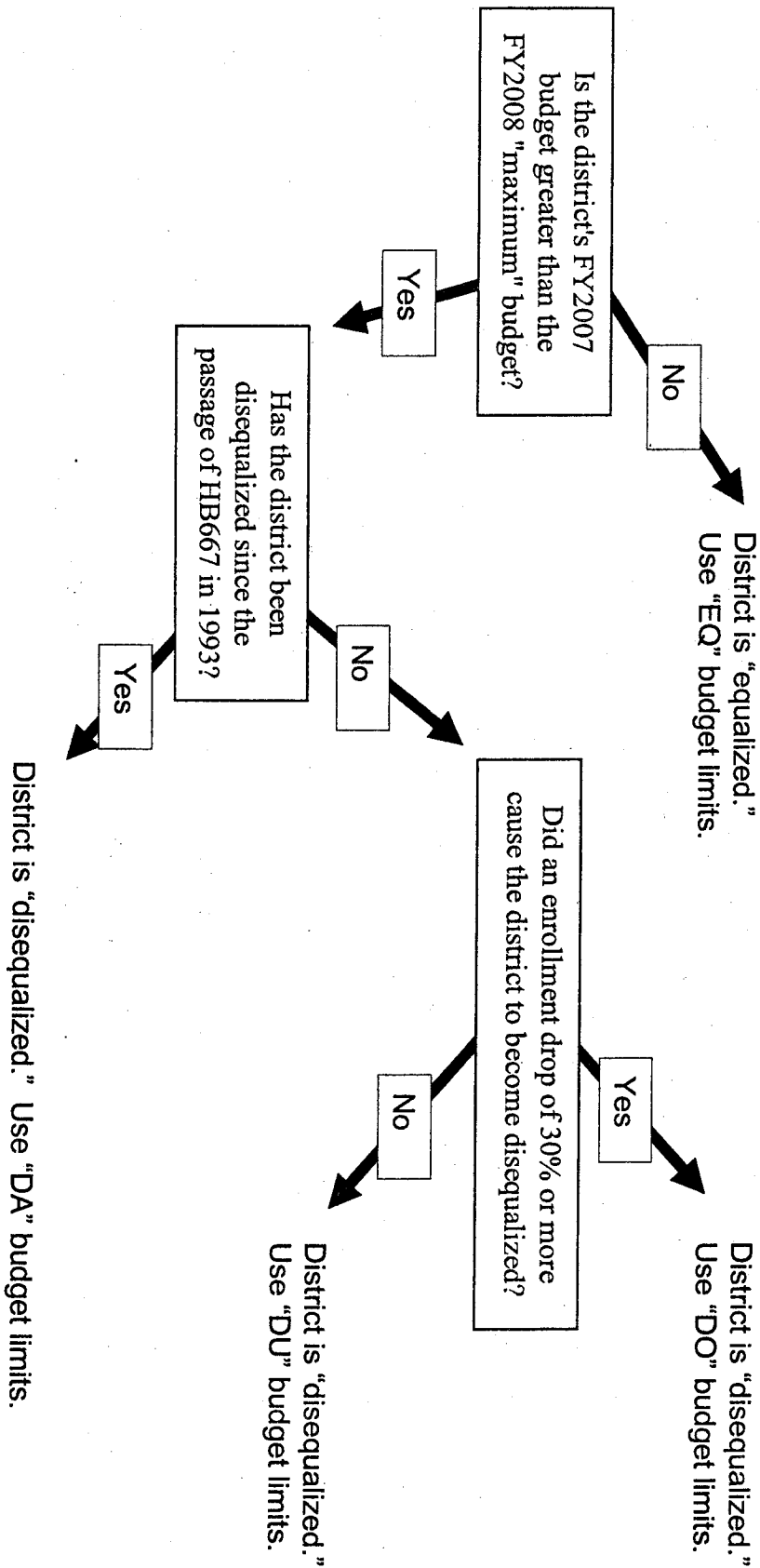


Determining School District General Fund Budget Limits

Fiscal Year 2008



Determining School District General Fund Budget Limits

Fiscal Year 2008

		Equalization Status			
	EQ	DU	DO	DA	
Highest Budget Without a Vote	FY08 BASE + FY07 Over-BASE Levy + Est. Tuition + Excess Rsvs + Fund Bal Reappropriated + Non-Levy Revenues Used to Fund Over-BASE budget	FY08 Maximum	FY08 Maximum	FY08 Maximum	
Highest Attainable Budget (With a Vote)	FY08 Maximum	FY07 Adopted Budget if disqualifed 5 consecutive years or less; FY08 Maximum if disqualifed 6 or more consecutive years.	Consecutive years of disqualization: 1 FY07 Adopted Budget - [0.2 x (FY07 Adopted Budget - FY08 Maximum Budget)] 2 FY07 Adopted Budget - [0.25 x (FY07 Adopted Budget - FY08 Maximum Budget)] 3 FY07 Adopted Budget - [0.33 x (FY07 Adopted Budget - FY08 Maximum Budget)] 4 FY07 Adopted Budget - [0.5 x (FY07 Adopted Budget - FY08 Maximum Budget)] 5+ FY08 Maximum	Lesser of: FY07 Adopted Budget --OR-- FY08 Maximum Budget + FY07 Over-Max Amount	

FY 2007-08 General Fund Budget and Voting Limits

CATEGORY	HIGHEST BUDGET WITHOUT A VOTE (permissive)	HIGHEST BUDGET	VOTING REQUIREMENT
1A. "Equalized" If: PY Budget does not exceed CY Maximum	1B. CY BASE + PY07 Over-BASE Levy + Fund Balance Reappropriated available to fund the Over-BASE budget + Excess Reserves Used to Fund the Over-BASE budget + Estimated FY08 Tuition Revenue (Must adopt at least CY BASE budget and not more than the CY Maximum.)	1C. CY Maximum	1D. Growth in Over-BASE tax levies, in dollars --Should equal the difference between the proposed budget and 1B NOTE: See the PY Over-BASE tax levy on line V-K on General fund worksheet of the PY Final Budget form.
2A. "Disequalized – Less than 30% ANB decrease" If: PY budget exceeds CY Maximum AND Either: [(PY ANB less CY ANB) divided by PY ANB] is less than 30% (round up) and PY EQ status = EQ Or PY Equalization status **=DU1, DU2, DU3 or DU4	2B. CY Maximum (Must adopt at least CY BASE)	2C. Years 1-5: PY Adopted Budget FY07 Maximum	2D. The Over-Maximum budget amount. i.e. The adopted budget up to 2C, less CY Maximum NOTE: District is required to adopt no more than maximum by Year 6.
3A. "Disequalized" – 30% or greater ANB Decrease If: PY Budget exceeds CY Maximum AND: Either: [(PY ANB less CY ANB) divided by PY ANB] is 30% or more (round up) and PY EQ status = EQ Or PY Equalization status **=DO1, DO2, DO3 or DO4	3B. CY Maximum (Must adopt at least CY BASE)	3C. Year 1: CY Maximum + [80% X (PY Budget - CY Maximum)] Year 2: CY Maximum + [75% X (PY Budget - CY Maximum)] Year 3: CY Maximum + [66.7% X (PY Budget - CY Maximum)] Year 4: CY Maximum + [50% X (PY Budget - CY Maximum)]	3D. The Over-Maximum budget amount. i.e. The adopted budget up to 3C, less CY Maximum NOTE: District is required to adopt no more than maximum by Year 5. Year 5: CY Maximum
4A. "Disequalized Since HB667" PY Equalization Status**=DA i.e. Adopted budget has exceeded Maximum every year since HB667 began* and PY Budget exceeds CY Maximum	4B. CY Maximum (Must adopt at least CY BASE budget)	4C. Lesser of: 1) PY Budget OR 2) CY Maximum + (PY Budget - Maximum) i.e. Can maintain Over-Max budget from prior year, but adopted budget may not exceed CY maximum by more than (PY Budget-PY Maximum) and may not exceed the PY budget, if less.	4D. The Over-Maximum budget amount. i.e. The adopted budget up to 4C, less CY Maximum.

* HB667 (1993) allowed districts that were above Maximum when the law became effective to remain above Maximum by a vote. Districts budgeting over Maximum since HB667 fall under category 4 above.

** Prior Yr Equalization Status is the category of budgeting applicable to the previous year's adopted budget (See Preliminary Budget Data Sheet). "EQ" = Equalized. "DU1" = disequalized with an ANB decrease less than 30%, year 1. "DU2" = disequalized with an ANB decrease less than 30%, year 2. "DU3" = disequalized with an ANB decrease less than 30%, year 3. "DU4" = disequalized with an ANB decrease less than 30%, year 4. "DU5" = disequalized with an ANB decrease less than 30%, year 5. "DO1" = disequalized with an ANB decrease of at least 30%, year 1. "DO2" = disequalized with an ANB decrease of at least 30%, year 2. "DO3" = disequalized with an ANB decrease of at least 30%, year 3. "DO4" = disequalized with an ANB decrease of at least 30%, year 4. "DA" means disequalized since HB667.



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**FY 2007-08 General Fund Budget and Voting Limits
As Proposed by HB363 and SB456**

HIGHEST BUDGET WITHOUT A VOTE (permissive)	HIGHEST BUDGET	VOTING REQUIREMENT
<p>FY08 BASE + FY07 Over-BASE Levy + Estimated FY08 Tuition Revenue + Non-Levy Revenues available to fund the over-BASE budget + FY07 Excess Reserves used to fund the FY08 Over-BASE budget + Fund Balance Reappropriated available to fund the Over-BASE budget</p> <p>(Must adopt at least FY08 BASE budget and highest budget without a vote cannot exceed the FY08 Highest Budget.)</p>	<p><u>Greater of:</u></p> <p>FY08 Maximum</p> <p>- or -</p> <p>FY07 Adopted Budget + any increases in state funding for the Quality Educator, At-Risk Student, Indian Ed for All, and Native American Achievement Gap Entitlements</p>	<p>Any increase in Over-BASE tax dollars needed to fund the budget</p> <p>Equals the difference between the proposed budget (up to Highest Budget) and the permissive budget (Highest Budget Without a Vote).</p>

MONTANA STATE SENATE
2007 LEGISLATURE

WITNESS STATEMENT

NAME Bob Anderson
ADDRESS P.O. Box 399
HOME PHONE 622-5232 WORK PHONE 622-5691
REPRESENTING Fort Benton Schools
APPEARING ON WHICH BILL HB 363
DO YOU: SUPPORT X OPPOSE _____ AMEND _____

COMMENTS (OPTIONAL):

Attached!

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY